

# TAX FACTS

- The first federal tax office in the United States was the Office of the Commissioner of Internal Revenue in 1862.
- The 16<sup>th</sup> Amendment, which allows the federal government to levy an income tax, was passed by Congress on July 2, 1909, and ratified on February 3, 1913.
- Origins in the Civil War – Congress passed the Revenue Act of 1861 which included a tax on personal incomes to help pay war expenses. The tax was repealed ten years later. However, in 1894 Congress enacted a flat rate Federal income tax, which was ruled unconstitutional the following year by the U.S. Supreme Court because it was a direct tax not apportioned according to the population of each state.
- April 15th has not always been the filing deadline. March 1st was the date specified by Congress in 1913, after the passage of the 16<sup>th</sup> amendment. In 1918 Congress pushed the date forward to March 15th, where it remained until the tax overhaul of 1954, when the date was again moved ahead to April 15th.
- 1913: First 1040 form only 3 pages long - 1 percent tax on net personal incomes above \$3,000 with a 6 percent surtax on incomes of more than \$500,000.
- 1918, during World War I, the top rate of the income tax rose to 77 percent to help finance the war effort. It dropped sharply in the post-war years, down to 24 percent in 1929, and rose again during the Depression.

- “Jock tax” – Levied on athletes who earn an income competing in a particular city or state. California first levied this tax on athletes from Chicago in 1991 after the Chicago Bulls beat the LA Lakers in the NBA Finals.
- In Alabama, there is a 10-cent tax on a deck of playing cards.
- Blueberries from Maine are subject to a specific tax too; anyone who grows, purchases, sells, handles, or processes blueberries in Maine has to pay a penny and a half tax per pound.
- The U.S. tax code is nearly 4 million words long. When printed, guidance explaining the income tax code stands more than one foot tall.
- There are at least 480 different tax forms, each with many pages of instructions. Even the easiest form, the 1040E has 33 pages in instructions, and all in fine print.
- The IRS sends out 8 billion pages of forms and instructions each year. Laid end to end, they would stretch 28 times around the earth.
- Nearly 300,000 trees are cut down yearly to produce the paper for all the IRS forms and instructions.
- 60% of taxpayers must hire a professional to process and file their tax returns.
- Individuals and businesses spend about 6.1 billion hours each year doing their taxes and complying with laws.